

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) amends Chapter 2, "Investment Board," Chapter 4, "Employers," Chapter 6, "Covered Wages," Chapter 7, "Service Credit and Vesting Status," Chapter 8, "Service Purchases," Chapter 13, "Disability for Regular and Special Service Members," Chapter 14, "Death Benefits and Beneficiaries," and Chapter 15, "Dividends," Iowa Administrative Code.

The amendments implement provisions of 2008 Iowa Acts, Senate File 2424, which requires the amendment or adoption of various sections: removing the 0.4 percent cap on management expenses for investments; adjusting contribution rates for members by IPERS staff based on actuarial valuation; adding new employee classes to IPERS protection occupation class; eliminating bonuses and allowances except for legislative pay; providing service credit at no cost to members of the military who served in a combat zone or hazardous area and received a service-related injury or disease that resulted in the member's death within two years after suffering the injury or disease; expanding choices for buying service time for IPERS members, including new "buy up" service purchase provisions for members who have a mixture of regular and special service credit; clarifying eligibility for disability benefit payments for regular class members; increasing the amount payable to custodians for minors who are beneficiaries to coordinate with other Iowa Code provisions; allowing nonspouse beneficiaries to roll over a deceased member's death benefit to a Roth IRA as an acceptable vehicle for IPERS lump sum distributions; and clarifying that November dividend adjustments will not be made unless statutory contribution rates meet or exceed the actuarially required rate for that fiscal year.

Previously, Iowa Code chapter 97B and administrative rules identified certain types of service as nonqualified service (e.g., employment with a qualified Canadian governmental entity or with the Peace Corps). Effective July 1, 2008, nonqualified service credit is not required to be linked to employment at all and is limited in the aggregate to 20 quarters. Therefore, in Items 18 and 19, references to specific categories of nonqualified service are eliminated.

Additional amendments remove provisions for employer-mandated reductions in hours because the time for that program has expired; remove provisions for patient advocate service purchases because the time for that program has also expired; and remove outdated law citations and update corresponding implementation clauses.

These amendments were Adopted and Filed Emergency and published in the July 16, 2008, Iowa Administrative Bulletin as **ARC 6976B**. Notice of Intended Action regarding these amendments was published simultaneously as **ARC 6975B** to give interested persons notice of the changes and an opportunity to comment.

A public hearing was held on August 5, 2008. No comments were received prior to the hearing, and no one attended the hearing. These amendments are identical to those published under Notice of Intended Action.

These amendments were prepared after consultation with IPERS administration, Benefits Advisory Committee, investment, legal, operations and benefits divisions.

These amendments are not subject to requests for waivers; however, these amendments are subject to the normal IPERS appeal process.

These amendments are intended to implement 2008 Iowa Acts, Senate File 2424, and Iowa Code chapter 97B.

These amendments will become effective on October 15, 2008, at which time the Adopted and Filed Emergency amendments are hereby rescinded.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Chs 2, 4, 6 to 8, 13 to 15] is being omitted. These amendments are identical to those published under Notice as **ARC 6975B** and Adopted and Filed Emergency as **ARC 6976B**, IAB 7/16/08.

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[For replacement pages for IAC, see IAC Supplement 9/10/08.]